



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Public Hearing to Consider Introducing an Ordinance Amending Lodi Municipal Code Chapter 13.20 – Electrical Service – by Repealing and Reenacting Section 13.20.315, “Schedule EDR – Economic Development Rate” - In Its Entirety

MEETING DATE: March 20, 2013

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Public hearing to consider introducing an ordinance amending Lodi Municipal Code Chapter 13.20 – Electrical Service – by repealing and reenacting Section 13.20.315, “Schedule EDR – Economic Development Rate - in its entirety.

BACKGROUND INFORMATION: For the past 18 months, the City of Lodi has offered a pair of electric rate discounts: New Business and New Jobs. Year-to-date, 22 customers have signed up to receive one of the two rate discounts. As of February 1, 2013, this has resulted in a total savings of approximately \$346,000 for the participating businesses.

Both of these rate discounts expire on June 30, 2013. Staff is recommending that both rate discounts, which serve as excellent economic development tools for the City of Lodi, be extended from July 1, 2013 to June 30, 2015 under the following guidelines:

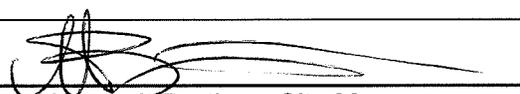
New Business Rate Discount: provided for 12 consecutive months; all new businesses assigned to the G2, G3, G4, G5, or I1 electric rate will receive a 5% discount per month; all new businesses assigned to the G1 electric rate will receive a “flat monthly credit” of \$25 per month.

New Jobs Rate Discount: provided for 12 consecutive months; all new hires must be new, full-time positions; there is a maximum 8% rate discount available, and the discount is provided in “bands” as shown below:

<i>Number of New, Full-Time Employees</i>	<i>Percentage Discount</i>
1-3	2%
4-6	4%
7-9	6%
10+	8%

FISCAL IMPACT: From July 1, 2011 to February 1, 2013, the discounts have totaled \$346,000. It is anticipated that the total discount will exceed \$400,000 by June 30, 2013. The magnitude of the financial impact for the proposed July 2013 to June 2015 rate discounts will be dependent upon the total number of participants.

FUNDING: Not applicable.

APPROVED: 
Konfadt Bartlam, City Manager



Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Business Development Manager

EAK/RSL/lst



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE EDR

ECONOMIC DEVELOPMENT RATES

APPLICABILITY:

- A. New Business Rate Discount. NBR discount, applicable to any new commercial or industrial customer that locates their operations/business that receives electric utility service from the city of Lodi, with the following stipulations: a customer assigned to the G1 electric utility rate shall receive a discount for twelve consecutive months of \$25 per month; and, customers assigned to the G2, G3, G4, G5, or I1 electric utility rate shall receive a discount for twelve consecutive months of five percent; and

This discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including but not limited to the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall not be subject to this discount.

- B. New Jobs Rate Discount. NJR discount, applicable to any commercial or industrial customer that adds a minimum of one full-time position, and retains that position for at least twelve consecutive months, with the following stipulation: a two percent discount for one to three new positions; four percent for four to six new positions; six percent for seven to nine positions; and eight percent for ten or more new positions. The maximum discount available is eight percent; all discounts are available for twelve consecutive months; and

This discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including but not limited to the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall not be subject to this discount.

- C. The Rate Schedules referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 1, 2013 and said utility rate discounts shall expire on June 30, 2015.

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING LODI MUNICIPAL CODE CHAPTER 13.20 –
ELECTRICAL SERVICE – BY REPEALING AND
REENACTING SECTION 13.20.315, “SCHEDULE EDR –
ECONOMIC DEVELOPMENT RATE – IN ITS ENTIRETY

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BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.315, “Schedule EDR – Economic Development Rate,” is hereby repealed and reenacted in its entirety to read as follows:

APPLICABILITY:

- A. New Business Rate Discount. NBR discount, applicable to any new commercial or industrial customer that locates their operations/business that receives electric utility service from the City of Lodi, with the following stipulations: a customer assigned to the G1 electric utility rate shall receive a discount for twelve consecutive months of \$25 per month; and, customers assigned to the G2, G3, G4, G5, or I1 electric utility rate shall receive a discount for twelve consecutive months of five percent; and this rate discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including, but not limited to, the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall not be subject to this discount.
- B. New Jobs Rate Discount. NJR discount, applicable to any commercial or industrial customer that adds a minimum of one full-time position, and retains that position for at least twelve consecutive months, with the following stipulation: a two percent discount for one to three new positions; four percent for four to six new positions; six percent for seven to nine positions; and eight percent for ten or more new positions. The maximum discount available is eight percent; all discounts are available for twelve consecutive months; and this rate discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including, but not limited to, the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall not be subject to this discount.
- C. The Rate Schedules referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 1, 2013 and said utility rate discounts shall expire on June 30, 2015.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or

application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

Approved this ____ day of _____, 2013

ALAN NAKANISHI
MAYOR

ATTEST:

RANDI JOHL
City Clerk

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held March 20, 2013, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2013, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved to Form:

D. STEPHEN SCHWABAUER
City Attorney

City Council Meeting
March 20, 2013

PUBLIC HEARING: ECONOMIC DEVELOPMENT RATES



Economic Development Rates

- Existing rates
- Current participation
- Proposed changes for 2013-2015
- Questions



Existing Rates

- ⦿ New Business Rate Discount
 - 5% to 15%
 - Varies by customer class
- ⦿ New Jobs Rate Discount
 - 1% per hire (minimum 2 FTEs)
 - Capped at 15%
- ⦿ Twelve consecutive months
- ⦿ Sunsets 6/30/13

Current Participation

- Economic development tool since 2011
- New Business Rate Discount ~ 13 customers
- New Jobs Rate Discount ~ 9 customers
- \$346,000 as of 2/1/13



Proposed Changes: 2013-15

- New Business Rate Discount

- G1\$25 credit/month
- G2, G3, G4, G5, I15%

- New Jobs Rate Discount

- 1-3 new hires2%
- 4-6 new hires4%
- 7-9 new hires6%
- 10+ new hires8%

- 12 consecutive months



Economic Development Rates





Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER EXTENDING THE ECONOMIC DEVELOPMENT RATES

PUBLISH DATE: SATURDAY, MARCH 9, 2013

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, MARCH 7, 2013

ORDERED BY: RANDI JOHL
CITY CLERK

Jennifer M. Robison
JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ JMR _____ MB (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER EXTENDING THE ECONOMIC DEVELOPMENT RATES

On Thursday, March 7, 2013, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider extending the economic development rates (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 7, 2013, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**



JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK



CITY OF LODI
Carnegie Forum
 305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: March 20, 2013

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl
City Clerk
Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, March 20, 2013**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Extending the economic development rates.

Information regarding this item may be obtained in the Electric Utility Department, 1331 South Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Randi Johl
 City Clerk

Dated: March 6, 2013

Approved as to form:

D. Stephen Schwabauer
 City Attorney